

6-1 2048-182

122

MAIL

ARGENTINA

COMMENTS ON CURRENT EVENTS

December 22, 1939.

(No. 12)

RECEIVED G/2 W. D. JAN 4 1940

2042-122

1. Repercussions of Graf Spee Naval Battle.

1. Repercussions of Graf Spee Naval Battle.

With the burial of Captain Langsdorff, commander of the Graf Spee, in the German cemetery at Buenos Aires on December 21st following his suicide the previous day, a period was placed at the end of the incident of the naval battle of Punta del Este off the Uruguayan coast between the German pocket battleship and the three British cruisers Exeter, Ajax and Achilles, the flight of the German vessel to Montevideo, its later scuttling in Uruguayan territorial waters and the internment of more than 1,000 members of its crew in the interior of Argentina.

However, there are several sidelights on the events which occurred between the battle on December 13th, and the burial of Captain Langsdorff. Among these are the different attitudes of the Uruguayan press and people as compared with those of Argentina from the standpoint of neutrality. Argentina, as mentioned in "Comments" No. 10 of December 1st, has been bending backward in carrying out its neutrality attitude. Officers of the armed forces are forbidden by order to publish any comments on the war, and the Argentine press - the reliable organs - has made no editorial comment whatever on the battle of Punta del Este, or its aftermath. On the other hand, the Uruguayan press has not failed to comment on the affair and especially on the protest of Captain Langsdorff to the German Legation in Montevideo of the "unfairness" of Uruguay in not allowing the Spee fifteen days for repairs.

On this point of repairs to the Spee, Uruguayan shipyard workers refused to do any work on the German ship and such civilian marine workers as were employed had to be brought from Buenos Aires to Montevideo.

Also, a reliable source informed the Military Attaché that he overheard a conversation in the German Embassy in Buenos Aires to the effect that a reply had been received from Germany to a call from here for reinforcements of German naval craft to help the Graf Spee escape from Montevideo and that it said that the German cruisers Baden and Karlsruhe were on their way from off the Chilean coast and that they would arrive off the River Plate in fifteen days' time. (This information was given to the Naval Attaché who cabled it to the Navy Department in Washington).

There was a three-cornered diplomatic battle carried on in the Foreign Office at Montevideo during the stay of the Spee in that port, the German Minister, counselled by the German Ambassador in Buenos Aires who went to Montevideo for the purpose, arguing with the Uruguayans for plenty of time to make repairs, while the combined British and French diplomatic effort was to have the Spee either sent to sea or interned in the shortest possible time. The Allies won.

Here in Argentina the Government has taken action against radio information getting out to vessels of the belligerents following the breaking of neutrality in this respect by Germans resident in Argentina. The Condor Syndicate, which operates a commercial airline along the East coast of South America, is reported to have sent messages from its private station to German war vessels in the South Atlantic as to the arrivals and departures

From M/A Argentina.

Report No. 6158.

December 22, 1939

ARGENTINA

COMMENTS ON CURRENT EVENTS

December 22, 1939.

(No. 12)

of British and French merchantmen at Buenos Aires. The Government has warned this company to use its radio purely for official company business between its offices and planes, or else.

Also, the Radio Municipal, a commercial venture operated by the government of the City of Buenos Aires, has had its license suspended temporarily. This was because of reported information broadcast as news bulletins which could be of advantage to German war craft south of the Equator. It is reported that a German commercial firm in Buenos Aires, which had certain time on this radio for advertising purposes, had given part of it to Transocean - which is the German official news service for overseas propaganda and which supplies "news" from Germany free to such newspapers here as will publish it - and that Transocean devoted its time to broadcasts which read suspiciously like information destined to German warships in this part of the world. For instance - the day before the Punta del Este battle, this radio carried a "news bulletin" that a German cruiser was damaged by "three British cruisers near the mouth of the River Plate". This bulletin was taken by the Argentine authorities to have been a warning to the Spee that British warships were patrolling in the vicinity.

*Lester Baker*

Lester Baker, Col. Inf.,  
Military Attaché.

Original & five copies airmailed Dec. 22nd.

6-1 2048-182  
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ARGENTINA

COMMENTS ON CURRENT EVENTS

February 7, 1940.

(No. 13) RECEIVED 6/2 W. D. FEB 23 1940

1. American-Argentine Trade Agreement Failure.
2. Toll Road to Chile.
3. Iron in Jujuy.

✓ 1. American-Argentine Trade Agreement Failure.

The termination of negotiations for a trade treaty between the United States and Argentina has been announced with various comments by the local press. The following is a sample: "No clear and complete statement as to why negotiations failed has yet been issued. Both Argentine and American businessmen are bitterly disappointed, as it was hoped that some arrangement would be made to improve the conditions which have handicapped trade between the two countries for the past five years. With the insistence by Argentina on a strict bi-lateral trade balancing there seems to be no hope for many lines to come back in this market where they once enjoyed an important place. However, with the continuance of the war this country will be obliged to purchase from the United States in fairly large quantities, but when peace comes there is no doubt that American imports here will be restricted as much as possible.

Businessmen hope that the Argentine Government will not take any steps to decrease import permits on articles which are now permitted from the States, and that credit will be given for the large amounts of purchases being made here by Americans and which amounted to \$9,564,823 U.S. dollars in the month of December. The total exports to the United States for the year 1939 amounted to \$65,070,000 U.S. currency, compared with \$42,658,000 in 1938.

2. Toll Road to Chile.

A most important development for the future intercourse between Argentina and Chile is the arrangement between the two countries by which Argentina will take over the Transandine railway tunnel and make it into an automobile toll road. This is another indication that many South American nations are becoming very automobile and road conscious which will provide an important outlet for American motor cars in the future.

3. Iron in Jujuy.

Reports published in the Buenos Aires press indicate that a valuable iron ore deposit has been located in the Province of Jujuy and a short distance from the capital. It is stated that the ore is very rich.

Source: As stated.

Original & 5 copies airmailed Feb. 9th.

*Lester Baker*  
Lester Baker, Col. Inf.,  
Military Attaché.

From M/A Argentina.

Report No. 6184.

February 7, 1940.

100-10-10  
124

ARGENTINA

COMMENTS ON CURRENT EVENTS

March 19, 1940.

(No. 14)

RECEIVED G/2 W. D: APR 1 1940

1. Argentine-British Trade Relations Perturbed.
2. Paraguayan Mission to Japan.
3. French Purchase Argentine Mounts.
4. Policing-up Conscripts.
5. Packing-house Employment.

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1. Argentine-British Trade Relations Perturbed.

For the first time in many years, trade relations between Argentina and Great Britain are becoming slightly perturbed. The main source of trouble arises from the last meat contract for 200,000 tons of which 186,500 tons were distributed in the customary quotas among the foreign and national packing plants. The balance of 13,500 tons, however, was all given to national plants but ships were not made available by the British government for this latter amount. There is now talk that Britain is considering reducing purchases of chilled and frozen beef from 6,400 to 4,000 tons a week, and favoring Empire, Uruguayan and Brazilian production. It has been revealed that there has been an agreement between the Bank of England and the Banco Central whereby the former converts Argentine balances into gold to eliminate exchange losses, but there has been difficulty in using these funds for paying the service on the Argentine foreign debt to third parties, and for purchases in foreign countries. Furthermore, Argentina has been forced to keep meat prices down while being obliged to pay continually increasing costs for its imports of British, French and other merchandise, no attempt being made by the British government to ensure that manufacturers do not take advantage of the war conditions. It is further reported that Britain intends to divert purchases of larger quantities of wheat from Canada at the expense of Argentina.

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✓ 2. Paraguayan Mission to Japan.

Japan continues her efforts to cement closer trade and cultural relations between South America and herself. Another evidence of this was the embarkation here recently of a Paraguayan mission of four prominent citizens of that country on the Brazil Maru for a visit to Japan and a trip around the world with all expenses paid by the Japanese. This was at a time when an Argentine mission had not returned to this country from a like visit. The Paraguayan mission is composed of Dr. Venenciano B. Galeano representing the Paraguayan Government, Sr. Manuel Ferreira and son representing the Asuncion Chamber of Commerce, and Dr. Cristobal Caffiza of the University of Asuncion.

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✓ 3. French Purchase Argentine Mounts.

Several months ago a French army purchasing mission arrived in Argentina (some of the members proceeding to Chile) to purchase various supplies needed by the French army. It is now announced that 15,000 horses have been purchased in Argentina, but the question of the necessary ships to send them to France has not been solved.

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From M/A Argentina.

Report No. 6204.

March 19, 1940.

ARGENTINA  
COMMENTS ON CURRENT EVENTS

March 19, 1940.

(No. 14)

4. Policing-up Conscripts.

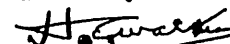
The Argentine army has just awarded contracts totalling \$62,841.17 Argentine pesos, or about \$15,000.00 U.S. currency, for the purchase of tooth brushes, shaving brushes, pajamas and handkerchiefs for its enlisted personnel. The notice of the award, made to eight different firms, was published in the Boletin Militar of March 9, 1940.  
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5. Packing-house employment.

Statistics just made available for the calendar year 1938 show that in the 18 frigorificos and meat plants of the country there were employed 30,000 persons whose wages exceeded \$50,000,000 Argentine pesos and the value of the products was \$489,000,000 pesos. The number of men employed showed a slight increase over the previous year, but production was down by \$40,000,000 pesos. The 18 establishments comprised sixteen frigorificos (cold storage plants) and two big meat factories, and were distributed as follows: province of Buenos Aires, 8; Santa Cruz, 4; Entre Rios, 3; city of Buenos Aires, Santa Fé and Tierra del Fuego, 1 each.  
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Source: As stated.

In the absence of any Military Attaché on duty:

  
H. B. Walker  
Clerk in Charge.

Original & 5 copies airmailed Mar. 19th.

6-1 2048-182

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ARGENTINA

COMMENTS ON CURRENT EVENTS

April 12, 1940.

(No. 15)

RECEIVED G/2 W. O:

APR 20 1940

1. Graf Spee Officers Interned.

✓ 1. Graf Spee Officers Interned.

Ever since the scuttling of the German pocket battleship G raf Spee in December and the subsequent arrival of officers and crew in Buenos Aires where they were lodged in Argentine Government quarters both British and French diplomatic representatives here have on several occasions warned the Argentine Government that these Germans should be really interned and not allowed liberty in the streets of Buenos Aires for some of them surely would escape. These representations by the foreign diplomats were not taken in good part by Argentina, according to the local press, but late in March the discovery of two of the sailors at Santos as stowaways on an Italian liner, and almost immediately the disappearance of 11 of the officers, including the second in command, caused the Government to take steps to prevent any further defections among its guests.

Previously to finding the two stowaways in Santos, about 500 of the crew had been sent to the provinces of Mendoza, Cordoba and Santa Fé. When the stowaway episode occurred a check was made on the officers, subofficers and crew in Buenos Aires with the result that the second in command was found to be missing.

Rumors of internment of all the officers and subofficers were printed, unless the former gave their parole not to go more than fifty kilometers from Buenos Aires without police permission. This the German officers refused to do, saying it was against the code of the German navy. The internment rumor caused ten other officers, or maybe twelve as no official figures have been published, to disappear.

Immediately the Argentine Government issued a decree intern- ing the officers and subofficers on Martin Garcia island in the middle of the river Plate which is a coast artillery post and where they will be under army guard and with no chance to escape. The removal of these officers commenced on April 9th on a navy transport, and was finished two days later. They will remain in custody until the end of the war, and meantime the police of the capital and the provinces are searching for those who escaped.

The local press is very bitter about the action of these Nazis and without exception denounces the behavior of the officers and men who had been treated so kindly by the Argentine Government. The incident has made the press here and the man-in-the-street even more pro-ally than before.

Source: Press.

*M. A. Devine, Jr.*  
M. A. Devine, Jr.,  
Major, G. S.,  
Military Attaché.

Original & 5 copies airmailed Apr. 13th.  
From M/A Argentine.

Report No. 6216.

April 12, 1940.

6-1  
JUN 11 1940  
2048-182  
126  
WAR DEPARTMENT

ARGENTINA

COMMENTS ON CURRENT EVENTS

May 31, 1940.

(No. 16)

RECEIVED 6/2 W. D. JUN 11 1940

1. Argentines Aroused against Nazis.

✓1. Argentines Aroused against Nazis.

Buenos Aires newspapers and the public are calling on the Government to do something drastic to curb Fifth Column activities in this country following the sinking by a German submarine off the Spanish coast two days ago of the grain-laden Argentine freighter Uruguay which was bound from Buenos Aires to a neutral European port. It was just such an incident during the world war which caused crowds to rush downtown in Buenos Aires and set fire to the German Club.

Although nothing quite so serious as that happened last evening, the police took special precautions around the German Embassy but the crowds which gathered in Calle Florida shouting "Down with Hitlerism" succeeded in marching into Calle Corrientes where the plant of the pro-Nazi "La Plata Zeitung" is located and breaking all its windows before police succeeded in dispersing participants.

Newspapers for the first time comment editorially in an anti-Nazi vein. Heretofore they have kept neutral in their editorial columns but this attack on an Argentine vessel has made them speak out.

La Nacion is typical in apparagraph at the end of a column long editorial when it says: "In any event, it is evident that the sinking could only have been accomplished through the receipt of information sent from Buenos Aires. This is grave, and the Government must take severe measures against this and all other classes of espionage."

The English-language Buenos Aires Herald remarks sarcastically: "It is rather quaint that Hitler can approve the expenditure of millions in Argentina for the purpose of creating some favor here and then throw it all away by ordering his submarine captains to sink any vessel on sight."

Yesterday the police of the port arrested George Helmut Lenk for having a quantity of ammunition hidden in the lining of his clothes after he had come ashore from an American steamer. He was arrested first a few days when he came ashore from the American steamer Uruguay. The police authorities believe Lenk, who poses as a reporter and so is able to board ocean liners, has been taking ammunition regularly ashore from American ships which is supplied by Nazi sympathizers in the United States. He is a brother of Edward Helmut Lenk who was arrested recently for operating a clandestine wireless station in the town of Campana, through which, the police believe, he communicated with Nazi vessels at sea and possibly with Germany.  
Source: Press.

M. A. Devins, Jr., Maj., G.S.,  
Military Attaché.

Airmailed June 1st.  
From M/A Argentina.

Report No. 6242.

May 31, 1940.

6-1 2048-182  
JUN 27 1940  
1273

ARGENTINA

COMMENTS ON CURRENT EVENTS

June 10, 1940.

(No. 17)

RECEIVED 6/2 W. DE JUN 20 1940

1. Nazis in Argentina Believe War Won.
2. 5th Column Incidents.
3. Reserve Officers' Centers Abolished.
4. Foreign Professors Spread Doctrines.
5. President's Message to Congress.

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✓ 1. Nazis in Argentina Believe War Won.  
Strange as it may seem to others, the Nazis in Argentina are sure the war has been won by German arms and they are ready for the clean-up here and so inform Argentine friends. Germans in Argentina are jubilant and are not slow in saying "we are now making the monkeys dance". The spoils in Argentina are already being divided in the minds of these Nazis. "We shall", said one of them to an Argentine friend, "take over the British-owned railways as a matter of course. That will be part of our indemnity for this costly and unprovoked war. The British must pay. Then we shall take over their frigorificos (packing plants) as well as their ships. Their estates here, too, will have to be given up because they must pay. We shall make them". Those who made wars, this Nazi stated, and lost them would have to pay for them, and there was a sufficiency of British interests in South America to contribute to the cost of a conflict that had been imposed upon Germany.  
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✓ 2. Fifth Column Incidents.  
Ex-President Dr. Marcelo T. Alvear, head of the Radical Party, in an address a few days ago said: "There is a Fifth Column in our midst which is plotting against our democracy. We must watch out for it. We can not be true Argentines if we remain indifferent to the tragedy which besets the world. One of the dictators playing a principal role in the conflict has said that the destiny of a thousand years of Germany is in the balance. The world must reply that a thousand years of civilization is in the balance".

German firms in Buenos Aires are stated to have discharged a large number of Argentine employees to make places for members of the Graf Spee crew and at pay increases of 20%. When these firms proposed to take on the "heroes" of Punta del Este they stated that no Argentine employees would be discharged to make places for them.

Nine hundred employees of the German Klockner firm a few days ago through six representatives (although hundreds were present) appeared before a local judge to ask him to compel the German firm to grant them the annual vacation to which they are entitled by law but which they have not received during the four years the law has been in effect.

The Nazis in Buenos Aires have found several ways to secure ammunition for "Der Tag" in Argentina. One way is to buy cartridges from private soldiers who need a few cents spending money over the weekend. Another is for patrons of a local shooting club to buy five Mauser cartridges for 20 centavos (5 cents U.S. currency) for gallery shooting and after a few shots leave the place with the unused cartridges in their pockets. There is no limit to the number they buy, and no check on how many have been used.  
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ARGENTINA  
COMMENTS ON CURRENT EVENTS

June 10, 1940

(No. 17)

3. Reserve Officers Centers Abolished.

On June 8th the Minister of War issued an order abolishing the Centro de Instruccion de Oficiales de la Reserva (Reserve officers instruction center). No reason was given but it is known that the decision is connected with unexemplary conduct of several of the members, and particularly as the result of a recent get-together dinner. At that function a Sub Lieutenant, Guillermo Nelson Horrocks, requested permission of the Minister of War, who was the ranking officer present, to make a speech. He surprised everyone, especially the Minister, by launching into a pro-totalitarian discourse in which he demanded that Argentina get back the Falkland Islands from England. Horrocks was requested to leave the room by the Minister and disciplinary steps are to be taken. As a sequel to this speech, on the night of June 7th a banquet by local Nazis and Fascists was held at a local restaurant where Horrocks was the principal guest. This banquet broke up in an uproar of Fascist and Nazi cheers which caused the police to intervene and arrest 140 persons for disorderly conduct. Less than 24 hours later the Reserve Officers center was closed.

4. FOREIGN PROFESSORS SPREAD DOCTRINES.

La Nacion in a recent editorial commenting on the fact that college professors in various institutions of Argentina have been guilty of upholding ideas of government diametrically opposed to those of the Argentine democracy called attention to the fact that many such educational leaders are naturalized citizens and that for preaching such subversive doctrines they should have their citizenship privileges cancelled.

5. PRESIDENT'S MESSAGE TO CONGRESS.

The press as a unit approved the message of President Ortiz on the occasion of the opening of Congress but generally deplored the part relating to the country's finances. His statement that: "In these difficult times for the rights of peoples, it is necessary clearly to define our position in face of reality. We are neutrals. But Argentine neutrality is not and cannot be an attitude of absolute indifference or insensibility", was received in all quarters with acclaim.

Source: Press.

*M. A. Devine, Jr.*  
M. A. Devine, Jr.,  
Major, G. S.,  
Military Attache.

Original & 5 copies airmailed June 11th.

CONFIDENTIAL

ARGENTINA

COMMENTS ON CURRENT EVENTS

June 11, 1940.

(No. 18)

RECEIVED G/2 W. D. JUN 20 1940

1. Estimate of Political Situation in Argentina.

1. Estimate of Political Situation in Argentina.

On the surface, there is no change in the situation in Argentina. The general appearances are tranquil, but there is little doubt that the people and Government are greatly disturbed and are under constant tension. It is possible that there will be some Cabinet changes within a short space of time as the present composition is decidedly weak and seems to lack stability.

There is no doubt but that the German Embassy in Buenos Aires is working quietly, efficiently and determinedly to make certain that the army is secure for Germany, and from all appearances they are meeting with success.

It was reported by the French military attaché some time ago that the German Embassy had been instructed by Berlin to buy the Argentine Army at all costs. The Germans are plentifully supplied with funds and it is reported that the AFA TUDOR VARTA, an electrical firm headed by General Pertiné, retired, and financed by the German Embassy, employs between 400 and 500 German nationals - some of whom are reported to be former crew members of the Graf Spee - who are available for propaganda and other purposes. In regard to this company, I am informed through a reliable source, but have been unable to confirm, that the Chamber of Deputies held a secret meeting during the latter days of last week to investigate the Nazi influence in the Argentine Army, and that one of the subjects looked into was this same German firm.

The German Embassy daily mails to Army officers a copy of its official news bulletin which openly attacks England and veiledly the United States. This propaganda is having its effect on the junior officers. Two American Air Corps officers, other than the Chief of Mission, who, I understand, is sending information directly through the Embassy, inform me that the air Arm has felt the effect of this propaganda; that while nothing is in the open, the majority of these officers are inclined to favor Germany in the present war.

I also heard from a well informed source that if the President felt strong enough he would remove a number of officers from the army, and might go as far as to replace them by reliable citizens.

To clarify the above: the army officers are despised by the people who are unquestionably anti-Nazi. The people wish the Allies to defeat Germany, know of the brutal treatment meted out to conquered people by the Germans, and feel that the army officers here represent this system. They would like to remove the officers but know that they control the troops, and that the troops will be able to control the Government.

From M/A Argentina.

Report No. 6253.

June 11, 1940.

ARGENTINA

COMMENTS ON CURRENT EVENTS

June 11, 1940.

(No. 18)

It has been reported that 62 officers of the Regular Army are under arrest at Córdoba charged with pro-Nazi activities. Córdoba is the site of the basic training school for aviators, the army airplane construction factory, and a station for artillery and infantry units. It has been impossible to confirm this report.

Confirming a previous report from this office of the pro-Nazi sympathies of the C.I.D. chief of the Buenos Aires police department, it was reported yesterday that this chief, Miguel A. Viancarlos, had been relieved of his duties. Señor Lorenzo Galatto is the new chief.

The General Staff of the Army is reported to be definitely pro-Nazi, and Major Lagos, chief of the G-2 Section, is, in addition, anti-American. This is confirmed from various sources, and while Lagos is personally cordial to me I have felt since my first meeting that he is against the United States. On last Wednesday, Lagos complained to me that Representative Hamilton Fish by proposing that the United States turn over old planes to Latin American governments had insulted Argentina. Every line of Fish's speech was underscored in red on Major Lagos' desk for the probable perusal of his superiors.

The Clergy in Argentina, which, I am told, were pro-German in the last war, are now definitely and forcibly anti-Nazi. They wield a most important influence in Argentina family life and have particular influence with the women of the nation who recently have taken steps to organize against the Nazis. This can be appreciated by the fact that the Comité de Acción Argentina (Argentine Committee of Action) which has been recently founded to crusade against Nazi influence in this country, includes among its officers women of prominent social station.

It seems to be the policy of Argentina not to offend the Germans, and not to put too much pressure on the British, so that, whichever side wins, Argentina can claim their friendship. They have no real ideals, but are for Argentina first, last and all the time. A concrete example is the hatred shown for the British who have built their railroads, founded the financial structure of their country, have been their best customers and have contributed so much to the culture of their nation.

I have been told by a leading American here that many of our citizens resident in this country are sending telegrams to members of the Senate advocating turning over Air Corps matériel, etc. to the Allies. These Americans belittle the Italian influence in Argentina but this influence is not to be discounted. While it is true that many Italians here are anti-Mussolini, at the same time with Italy now in the war it will not be Mussolini but the Italian nation at war and there will be no question where the Italians in Argentina stand.

Source: Personal contacts.

Sae 1 at Int. with enclosure  
marked "7.10.128"

Original & 5 copies airmailed June 11th.

*M. A. Devine, Jr.*  
M. A. Devine, Jr.,  
Major, G. S.,  
Military Attaché.

6-1

2048-182  
129  
JUN 24 1940

ARGENTINA

COMMENTS ON CURRENT EVENTS

June 14, 1940.

(No. 19)

RECEIVED G/2 W. D. JUN 24 1940

1. Estimate of Political Situation in Argentina as of this Date.

1. Estimate of Political Situation in Argentina as of this Date.

There is no apparent change in the situation.

The Government is continuing to hesitate about taking any definite action on any subject which would in any way commit it definitely to the side of either the Allies or the Nazi-Fascists.

President Ortiz denied in a press statement that he had any intention of making Cabinet changes. However, during the past four days I have received reports from a member of the Chamber of Deputies that the Ministers of State, War, and Interior would be replaced in the near future.

From a Mexican citizen of high commercial standing, and a resident of Argentina for over thirty years, I learned that the removal of the Minister of War and Minister of Finance had been discussed within high military circles. I deduct that this information was furnished by General Pertiné, Retired, President of Circulo Militar, who is reported to be in the pay of the German Government.

If the above is of interest to the War Department, it might be stated that the Ministers of War and State are generally believed to be pro President Ortiz and pro-Ally, and that the Minister of Interior is most loyal to his President. The Minister of Finance, (Dr. Groppo) is on the fence and does not enjoy the trust or confidence of the Argentine people. It is believed that if these Ministers are removed it is possible that they might be replaced by men less favorable to the Allied cause.

I understand that the Army objects to the Minister of War because of his lack of force and the fact that new equipment has not been purchased during the past year.

On the other side, there is striking evidence of the feeling of the people which is expressed in the formation of the "Argentina Committee of Action" (previously reported), the denouncement of the 5th Column in the press, and the formation of groups to combat the Fascism even within the amateur radio groups.

Tension is high among the population and politicians. Yesterday the Minister of Justice was challenged to a duel by Dr. Sanchez Sorondo, and both chose as seconds men of high standing within the republic. It is believed that the challenge was issued during a secret session of the Senate because of charges made by Senator Sorondo against the Government. Senator Sorondo is known to be a pro-Nazi advocate.

It is believed that the Uruguayan Government will shortly pass legislation to control elements of the 5th Column, in fact a bill has already passed the Chamber of Deputies but awaits action in the Senate. As in Argentina, the mass of the people are without doubt most favorably disposed to the Allied cause.

From M/A Argentina.

Report No. 6259.

June 14, 1940.

ARGENTINA

COMMENTS ON CURRENT EVENTS

June 14, 1940.

(No. 19)

It is impossible to make any accurate estimate of the situation or to deduce what turn events will take; whether the armed forces with the help of the Fascist and Nazi elements will prevail against the people and the government of these nations. As has been reported before, it is believed that events in Europe and the national economic questions will determine the course of these two governments.

Source: As stated.

*M. A. Devine, Jr.*  
M. A. Devine, Jr.,  
Major, G. S.,  
Military Attaché.

Original & 5 copies airmailed June 14th.

6-1 2048-182

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JUL

CONFIDENTIAL

AIR MAIL

ARGENTINA

COMMENTS ON CURRENT EVENTS

June 25, 1940.

(No. 22)

RECEIVED G/2 W. D. JUL 5 1940

1. Nazi's Attack Economic Union Plan.
2. Nazi Plans in United States.
3. Brazil Diplomats Explain Vargas' Speech.

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1. Nazis Attack Economic Union Plan.

The Nazi organization in Argentina has lost no time in taking action to sabotage President Roosevelt's plan for an economic union of the Americas.

Under the head of the German Embassy a letter was written pointing out the previous failures of the United States along these lines, the fact that the Argentines and the United States produced like products for export and that this agreement was only the first step looking toward the seizure of Latin-America politically and economically and extolling the advantages to be gained by an economic union with Germany, a country able to furnish the things needed by Argentina and in a position to absorb their surplus.

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2. Nazi Plans in United States.

It is reported to have been stated by a member of the German Secret Service in Argentina that orders were received from Berlin to work with energy to arouse feeling within the United States against the announced policy of the President to assist the Allies by all means short of war. My informant states that specific directions were given to concentrate efforts in New York, Philadelphia, Washington and San Francisco. He further stated that the name BRACKWELL was mentioned as a secret agent of the German government and that he gathered that this man was an employee of the government with station in Albany.

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3. Brazil Diplomats Explain Vargas' Speech.

At a Legation reception in Montevideo the Brazilian Minister expressed his sincere regret at the American reaction to the recent speech of President Vargas, and expressed the hope that we would consider that the United States would have at all times and under all conditions the real friendship of Brazil. He stated that the speech had been for home consumption only. Identical sentiments were conveyed to me by the Brazilian Military Attaché in Buenos Aires who called at my office especially for the purpose. It may be possible that Brazilian representatives have been instructed to take this action.

Source: Personal contacts.

*M. A. Devine, Jr.*  
M. A. Devine, Jr., Major, U.S.,  
Military Attaché.

Original & 5 copies airmailed June 25th.

From M/A Argentina.

Report No. 6272.

June 25, 1940.

AIR MAIL

CONFIDENTIAL

ARGENTINA

COMMENTS ON CURRENT EVENTS

June 28, 1940.

(No. 23)

RECEIVED G/2 W. O. JUL 8 1940

1. Nazi Activities in Argentina.
2. Nazi-Japanese Activities in Argentina.
3. Nazi Propaganda from Buenos Aires Embassy.

1. Nazi Activities in Argentina.

Mr. Roll, Manager of Pan American Airways in Buenos Aires, has informed the M/A that the Phillips Radio Company, Buenos Aires, Argentina, (a Dutch corporation) has been instructed by the German Secret Service to turn over its entire stock to a German national without compensation, under threats of reprisal.

From the same source, and reported by Dr. Gorlero Pizarro, a director of Pan-Air, a prominent Belgian physician here has been directed to turn over one-half of his monthly receipts to representatives of the German Embassy in Buenos Aires on threat of reprisal against members of his family residing in Louvain, Belgium.

2. Nazi-Japanese Activities in Argentina.

From Italian sources it is reported that three Japanese officials arrived Monday from Chile by automobile for consultations with Herr Staecker who is reported as being the personal representative of the Chief of the German Secret Service in Argentina, if not South America.

The informant reports that these officials are believed staying in the Hotel Jousten, 300 Calle Corrientes, Buenos Aires, which is a popular hotel in the heart of the business district owned and operated by a German family three generations in Argentina, and a gathering-place for Nazis. One of the Japanese officers is reported to be Major Yutahari of the Artillery.

3. Nazi Propaganda from Buenos Aires Embassy.

The Chief of Censors of the Buenos Aires Central Postoffice reports through a second party that approximately 1,500 pieces of mail are forwarded daily to Nazi agents throughout Argentina from the German Embassy here. (Two envelopes attached). These are not important personages so this report serves to show the amount of propaganda despatched from the German Embassy here.

Source: As stated.

*M. A. Devine, Jr.*  
M. A. Devine, Jr., Maj., U.S.,  
Military Attaché.

Original & 5 copies airmailed June 28th.

From M/A Argentina.

Report No. 6274.

June 28, 1940.

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CONFIDENTIAL

ALL

URUGUAY

COMMENTS ON CURRENT EVENTS

June 24, 1940.

(No. 21)

1. Estimate of Political Situation in Uruguay this Date.

1. Estimate of Political Situation in Uruguay this Date.

It is my opinion that the situation here in Uruguay is no more critical at this time than it has been during the past month. The Government has brought at least a part of the subject of subversive activities to light; investigations have been made and the results of these have been brought to the attention of the nation through the medium of debate, speeches and press releases.

The man-on-the-street speaks of nothing except Nazi activities, the press bulletin boards are surrounded by large groups, and the people in general are whole-heartedly in favor of the Allied cause.

On the other hand, I have noted a tendency to blame the United States for the collapse of France and to pass the warning that if we don't help England materially then all of South America will pass under the domination of the totalitarian Powers.

The press has given prominence to the alleged arrest of some ten Nazi agents in Uruguay and it is understood that these may be brought to trial or investigation at some future date. While this action has been widely publicized and applauded, the thinking and advised people know that the surface has not been scratched, that the identity of many equally dangerous characters is only too well known and notwithstanding the Government has taken no steps to apprehend or suppress them.

It is also well known that certain members high in the councils of the Government are members, or at least supporters, of the Nazi-Fascist movement. As an example, I was informed that the Vice President, Mr. Charlone, has received decorations and autographed photographs from both Hitler and Mussolini, and that these are prominently displayed in his home. He is one of many who may have probably been reported to Washington by the State Department. "The Montevideo", a newspaper, organized June 15th is backed by the vice-president, and is reported to include on its staff a known Nazi writer.

From a Government standpoint the situation is strikingly analogous to that in Argentina, much strong talk from representatives of the people, and from the press, and when the people are well stirred up, the whole subject is allowed to cool off without taking any definite or forceful steps to control or correct the situation.

As in Argentina, the Government appears to be afraid to take steps which would anger or displease the Nazi government. As an example, it was broadcast and intimated as official that Herr Dalldorf, the German Press Attaché, had been confined while in fact the undersigned had him pointed out at a dance held in Hotel Nogaro. It appears that the authorities wish to be on the best possible terms with the winner in Europe.

From a well informed source I have learned that the Nazi coup in Uruguay had been set for January, but due to the fact that the

From M/A Uruguay.

Report No. 6269.

June 24, 1940.



URUGUAY

COMMENTS ON CURRENT EVENTS

June 24, 1940.

(No. 21)

Germans had not been successful in Europe by that date action was postponed. This same informant states that he does not believe that any change will take place in the immediate future, but at the same time this can only be held as a postponement and not an abandonment of plans. He states that although Nazi activities are not as visible as in the past they are being continued with the same determination and intensity, and with the same ends in view. He further states that Montevideo is the headquarters of Nazi activities in South America (I do not concur), that the Fascist party organizations are working with them and that there are three principal directing heads of the Nazi organization; each one separate and distinct. If this be correct, it may be deduced that they are divided into divisions of sabotage, politics and propaganda.

As regards propaganda, our eyes should not be closed to the effect Nazi-Fascist propaganda may have on the mass of these uneducated people who at this time are definitely pro-Ally and pro-American.

On the bright side, we have the support of the Catholic Church in Uruguay which wields such an influence in the lives of these people, but not to such a degree as in Argentina. It appears true that this Church is pro-Ally. In a sermon at the Cathedral which I attended (June 23rd) the pastor delivered a forceful eulogy on the subject of Democracy and stated that democracy represented the faith and ideals of the Catholic Church.

In a conversation with the Chief of Staff and the Inspector General of the Uruguayan Army both expressed their regrets at the defeat of the French Army. The former attributed the calamity to the foreign influences within the army. Both expressed their gratification at the enthusiastic reception received by the call for volunteers throughout Uruguay. I have heard that approximately 20,000 registered, although the Inspector General stated that practically the entire nation had responded. The Chief of Staff stated that the army was short of arms but that they would be acquired by purchase. Where, he did not state.

No action has been taken to secure the passage of General Campo's bill for universal military service. It will be recalled that the failure to pass this bill caused him to tender his resignation as Minister of War. It was thought some weeks ago that the bill would be resurrected and was sure of speedy passage, but now it is reported to be held in the Senate with the expectation of coming up for discussion during the coming week. The Senate by its constitutional provision is equally divided between the two political parties so it is possible for one member to block the passage of a bill. I am told that the Chamber of Deputies is willing to pass the measure as written but that the Senate will probably not concur unless the provisions are made more lenient. It looks like the old game of exempting the monied class from obligations of army service.

From an entirely different source I have learned that Uruguay expects to barter wool and fruits with Spain in exchange for arms, but that they contemplate the purchase of warships in the United States. In this connection please see previous report - Comment on Current Events No. 20, June 18, 1940 - relating to the offers of German agents to deliver arms in South America by the month of October 1940.

Information was furnished the M/A that German representatives are now purchasing wool in Uruguay (source of credit unknown) to be called for in Montevideo in October. Additionally, that consultations between the

URUGUAY

COMMENTS ON CURRENT EVENTS

June 24, 1940.

(No. 21)

Chilean and German governments looking toward the purchase of interned or refuged ships have been suspended. It may be the intention of Germany to offer advantageous arrangements with the hope of delaying the purchase of American products.

It is heard from many authoritative sources that the question of Latin-American goodwill and friendship is an economic question, and in this view the undersigned is in entire accord. There is no doubt but that the prosperity of Uruguay and Argentina depends to an extent upon the prices received by farmers for grain and by cattlemen for their animals and by-products, but yet today in both countries the British are blamed for the so-termed low price of beef when, I am told, the price is only one penny below that set by the Argentine and Uruguayan governments, and the real cause is the manipulation of the currency by these same governments. As far as is known, no attempt has been made to explain this to the people, and as a matter of fact these governments have remained silent while the British have been generally abused.

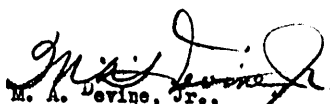
There is no question but that national economic welfare is uppermost in the minds of the people and government, that their present source of manufactured articles is practically restricted to the United States, and that we could have these peoples on our side provided advantageous economic concessions could be offered by our Government. The wisdom or desirability of this course is not for my comment. I do know the Latins over a period of many years, am certain they dislike the Anglo-Saxon (both English and American), are jealous of his ascendancy, are not trustworthy, are controlled by personal interests only, consider solely the advantage to be gained in the immediate present, do not reflect on the future, and are definitely non-institutional. If an advantageous economic agreement is consummated they will be our friends as long as it is to their advantage and for as long as the United States is powerful enough to force its will upon them, if we should so desire.

I have heard it stated on several occasions and from various sources that although the Uruguayans are not fond of the Argentines nevertheless they must follow their lead on economic questions and like matters. This opinion was reported to have been stated last Friday to a representative of the American press by an admiral in the Uruguayan Navy, so it may be possible that Uruguay is being guided by the policy of Argentina, which may account for the similarity of action, or lack of it, by both governments on questions which appear vital to their national welfare. Since drafting the above I have learned from a trustworthy source that the Foreign Minister of Uruguay calls the Argentine Foreign Minister by telephone every evening.

As the War Department knows, few of the Latin-American governments want any allusion made to the "defense of democracy" even though the allusion may come in public utterances of U.S. officials when they speak of hemispherical problems.

Source: As stated.  
Copy to Ambassador, Buenos Aires;  
" " Minister, Montevideo.

Original only airmailed June 25th.

  
M. A. Devine, Jr.,  
Major, G. S.,  
Military Attaché.

CONFIDENTIAL

ARGENTINA

COMMENTS ON CURRENT EVENTS

July 5, 1940.

(No. 25)

RECEIVED 3/2 W. D. JUL 17 1940

1. Estimate of Political Situation in Argentina this Date.

1. Estimate of Political Situation in Argentina this Date.

The President of Argentina, Mr. Ortiz, relinquished his office in favor of the Vice President, Dr. Ramon Castillo, on the afternoon of July 4th, giving as the reason poor health and need for a complete rest. I am informed by an American physician that the President is suffering from uric poisoning which has affected his eyes, and from an Argentine source that his doctor found it necessary to amputate two fingers last night, July 4th. There is a strong possibility that due to poor health, internal politics, etc. the President will not reassume office.

The Acting President, Mr. Castillo, has been known as Pro-Fascist-Nazi, and is believed to oppose many of the President's foreign and domestic policies, but I have heard from Argentine sources that Mr. Ortiz has been able to change Castillo's viewpoint to some extent.

Rumors from many sources state that a change in the make-up of the Cabinet is imminent, but I do not believe that any important appointments will be made until the Vice President is firmly seated and is assured that Mr. Ortiz will not reassume his duties as chief executive. This is a situation which will bear watching.

It has been mentioned as a possibility that General Molina, an arch Nazi, will assume the post of Minister of War. If true, his appointment should have the approval of the armed forces, although it is too early to ascertain their sentiments regarding the change of executives. If consummated, this might mean the declaration of a state of siege.

From many sources it is stated that the present Foreign Minister, Dr. Cantilo, is nothing but a rubber stamp, and that he will now sign without argument and pass along anything presented to him. If this be true, it will be difficult to get constructive assistance from the Argentine delegation at the coming Havana Conference. Dr. Cantilo announced yesterday that while Argentina refuses to recognize the conquest of any territories by force, Argentine diplomatic representatives in Belgium, Holland and Norway will be withdrawn in compliance with the German request.

I believe that as economic conditions in Argentina become acute through lack of foreign markets for its surplus products the political unrest will come to the surface and if the Opposition is joined by the Nazi-Fascist elements a group of exceptional strength, activity and organization will possibly be able to successfully oppose the conservative elements of the Government.

Source: As stated.

*M. A. Devine*  
M. A. Devine, Maj., G.S.,  
Military Attaché.

From M/A Argentina.

Report No. 6279.

July 5, 1940.

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ARGENTINA

COMMENTS ON CURRENT EVENTS

July 10, 1940.

(No. 26)

RECEIVED 6/2 W.D. JUL 23 1940

1. Nazi Activities in Argentina.

✓ 1. Nazi Activities in Argentina.

Due to the far from quiet situation of international politics and the sympathies of Argentines with the various nations at war in Europe, to say nothing of Nazi activities in this country which are being unearthed daily by government authorities, the Argentine Government issued a decree that only Argentine colors were to be flown throughout the country yesterday - July 9th the 124th anniversary of Argentine Independence. Usually nationals of other countries are allowed to show their own flags alongside the Argentine colors.

Antipathy to Nazis in the popular mind caused a film of the Siegfried Line to be hissed and a free fight followed at a local movie house a few days ago when the audience was supposed to be a hand-picked audience of Nazi sympathizers. Mounted police have for some time been guarding German banks and Nazi and Fascist newspaper offices in Buenos Aires.

During the past few days press reports from such distantly separated places as the Territory of Misiones in the north, which projects between Paraguay and Brazil, and the Province of Buenos Aires have been published in the local newspapers of Buenos Aires giving details of other Nazi activities in those localities.

At Apostoles in Misiones the Gendarmes located much Nazi propaganda, arms of various kinds, ammunition of several calibers and thousands of belts of machine gun cartridges which were said to have been brought into the Territory from Paraguay and Brazil. Thirty suspected Nazis have been held by the Gendarmes for investigation. Early this morning the Apostoles commander of the Gendarme detachment, Manuel Barrés, was attacked in his sleep by unknown individuals who shot into his ground-floor bedroom from the street but failed to hit him. The regular policeman who was supposed to be on duty in front of the bank opposite was not at his post. The police have been inactive in Nazi investigations in this district and so the Gendarmes were called in to investigate.

The town of Veronica which is near the naval air base of Punta del Indio - nearly opposite Montevideo on the other side of the River Plate - is sharply divided in inhabitants between Argentines and Germans. Here the police have been investigating Nazi activities during the past few days after finding in the clothing of an arrested hobo various maps which would be of interest to subversive elements. One place investigated by the police was a bar and restaurant of German proprietorship patronized by workers of the naval air base and located only 500 meters from its entrance. There is much pro-Nazi and anti-British sentiment at the base. Source: As stated.

For and in the absence of the Military Attaché  
Original & 5 copies airmailed Jul. 12th.

From M/A Argentina.

Report No. 6279.a

H.E. Walker, Clerk in Charge.  
July 10, 1940.

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ARGENTINA

COMMENTS ON CURRENT EVENTS

July 16, 1940.

(No. 27)

RECEIVED 6/18/40 JUL 29 1940

1. Misiones Nazis Organized.
2. Press Calls for Unified Command in Armed Forces.
3. Propaganda from Embassies Criticised.

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✓ 1. Misiones Nazis Organized.

Further Gendarme investigations in the Territory of Misiones (reported in Current Events Comment No. 26) into Nazi activities, especially in the Apostoles district, reveal the thoroughness of the organization in that section of Argentina. In addition to arms and ammunition discovered in a series of raids, it is now made public in press dispatches that an elaborate card index was found which gives the names of all Nazi agents and details by card and name as to whether they can drive a car or pilot a plane, languages spoken, knowledge of the territory and whether he is a German of first, second or third generation, or a native. One of the hundreds of pamphlets found calls to arms all German descendants with the words: "Germans! Sons of Germans! England and France have already fallen. Be prepared for the call which will make the country in which you live a part of Germany".

.....

2. Press Calls for Unified Command in Armed Forces.

La Prensa in its issue of July 11, 1940, criticises the present national strategy and advises the Government to create a unified command of the army, navy and air force for national defence. "Military operations, ground, naval and air, each must be closely united in objectives, progress, and operations", the article states. "The decision in this sense cannot be left to the judgment of political-administrative authorities. This is an integral part of command which under our constitution the President of the Republic alone exercises.

"Our military and naval authorities should be guided by foreign experience in meeting the necessities of the country in order to decide definitely the problem of united defence and more especially that which refers to the superior military direction, including in one common plan all the armed forces of the Nation".

.....

3. Propaganda from Embassies Criticised.

✓ In view of the large amount of propaganda emitted by the German Embassy here - through bought newspapers and through the mails - La Prensa draws attention to the fact that embassies are merely representatives of one country's government to that of another government, and that foreign diplomats have no business in influencing their own nationals on the soil of another country, or to influence the opinions of the natives. Source: As stated.

Original & 5 copies airmailed July 16th.

M.A. Devine, Jr., Maj., C.S.,  
Military Attaché.

From M/A Argentina.

Report No. 6282.

July 16, 1940.

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CONFIDENTIAL

ARGENTINA

COMMENTS ON CURRENT EVENTS

July 19, 1940.

(No. 28)

RECEIVED G/2 W.D. JUL 30 1940

1. Estimate of the Political Situation in Argentina this Date.

1. Estimate of the Political Situation in Argentina this Date.

As one official stated on Wednesday it is possible to furnish his government nine different estimates of the political situation in Argentina.

Much will depend upon whether President Ortiz re-assumes his duties as Chief Executive. The Acting President, Mr. Castillo, would like to strengthen the Cabinet but naturally hesitates to make any changes until he knows whether his tenure is to be shortly terminated or whether he will serve out the full presidential term. Authoritative sources state that President Ortiz will not live six months, is practically blind etc. while equally authoritative sources state that he is making rapid progress and will return to office at an early date.

It appears to be a fact that the Cabinet is not pulling together and those on the "inside" seem to believe it certain that changes must take place and go as far as to state that President Ortiz has given his consent to a readjustment.

Ex-President Justo, who was responsible for the election of President Ortiz, appears to be the strong man, and is prominently mentioned for Minister of the Interior which is the ranking ministerial position. It is said that if he is appointed and Mr. Castillo is continued in office, Mr. Justo will assume the duties of Premier (there is no provision for this in the Argentine Constitution) and if Mr. Castillo does not like this they will find him another job. Mr. Justo is presumed to be strongly Pro-British but they seem to have the ability to change sentiments as expediency dictates.

General Molina is daily mentioned to replace General Marquez as Minister of War and it is now stated that General Molina was never of the Fascist-Nazi complexion, but only a violent Nationalist. (Argentina above all). As the War Department recalls, General Molina spent five years in Germany and was invited to the Nuremberg Conference in 1939 by the Nazi Government.

Argentine sources state that the Minister of Foreign Affairs has little power and that President Ortiz has reserved to himself the direction of the Argentine delegation at the Havana Conference. All agree that the Minister of Finance will be forced out of the Cabinet.

✓ As far as can be ascertained, the capitulation of France has

From M/A Argentina.

Report No. 6290.

July 19, 1940.

ARGENTINA

COMMENTS ON CURRENT EVENTS

July 19, 1940.

(No. 28)

had no apparent effect upon the government, its policies or the people. You just don't hear France mentioned.

Following the sinking of the Argentine S.S. Uruguay by a German submarine, strong mounted guards were placed around German commercial concerns such as the German Bank to prevent their attack by enraged Argentine nationals. Nothing was ever done about the sinking, in fact the reply of the German Government was never published by the press. The guards have now been removed so it is to be presumed that the Germans are now in the good graces of the Argentine people or that the Government does not want it to appear that there is any popular feeling against them.

Strangely enough the British seem to occupy a better position than they have had at any time during my tour of duty in Argentina. Whether admiration for the courage of the English is having an effect or whether the Argentines are not sure who will be the eventual winner in the present conflict and desire the friendship of that country, remains to be seen.

The Army has been unusually quiet and it may be that the detail of General Neidenfuhr and Colonel Wolf as Military Attachés to Brazil and Chile respectively will swing their thoughts toward England and the United States, Major Lagos, chief of the Military Intelligence Division, told me that the detail of these officers as Military Attachés was a violation of their contract with the Argentine Government. It has done Germany no good in the Argentine. As far as is known the two junior members of the Mission are on duty in the German Embassy here in Buenos Aires.

The War Department has instructed the Military Attaché to keep them "fully advised of the situation" here so for this reason frequent reports have been forwarded. The situation is in flux, the Government is not sure of itself, has many internal problems both political and economic and a strong Opposition so for this reason any prediction is pure guesswork.

Source: Personal contacts.

*M. A. Devine, Jr.*  
M. A. Devine, Jr.,  
Major, G. S.,  
Military Attaché.

Original & 5 copies airmailed July 19th.

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ARGENTINA

COMMENTS ON CURRENT EVENTS

July 22, 1940.

(No. 29)

RECEIVED G/2 W. B. AUG 5 1940

1. Argentines React to Nazis.

✓ 1. Argentines React to Nazis.

While the Argentine Government walks softly and circumspectly in dealing with Nazi activities in this country the rank and file of citizens have no inhibitions in the matter and during the past week on several occasions have taken pains to show their displeasure in active form. The Foreign Minister did call in the German Ambassador a few days ago and it is reported told him that Nazi activities in the Territory of Misiones (previously reported) were not exactly friendly acts.

As a result of an article published in El Pampero, which is supported entirely by German Embassy funds, the Government is instituting action to suppress the publication. The paper has been blatantly pro-Nazi and anti-Ally as well as anti-Argentine and the publication of an obscene verse last Friday which aroused general indignation caused the Government to act.

Smashing plateglass windows of pro-Nazi places of meeting or newspapers is the way the people have of showing their feelings here in Buenos Aires. At one Nazi bar in the center of the city a German Nazi started a speech in favor of Hitler and Nazism but there were more anti than pro-Nazis present who took offence and before the police arrived the entire bar had been wrecked. Another bar near the waterfront had its windows smashed with bricks and stones when there were a number of German Nazis inside, and anti-Nazis present started wrecking the place to good effect.

For a second time a few days ago the German-language Nazi newspaper in Buenos Aires had its window smashed while the attention of the mounted police on duty had their attention distracted by the explosion of small grenades which had been placed on the streetcar tracks a short distance away.

Civilians in the Province of Córdoba have reported to the Federal Government here that Nazi organizations there are drilling in military formations and that they are practicing with machine guns.

"Accion Argentina" which is an organization of Argentines of all shades of political opinion banded together to keep Argentina a democracy has asked for the removal of a government employee in Tucuman who expressed the opinion that Argentina and Uruguay would soon be German.

Source: Press.  
Original & 5 copies airmailed July 23rd.

M. A. Davis, Jr., Maj., U.S.,  
Military Attaché.

From M/A Argentina.

Report No. 6291.

July 22, 1940.



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WAR DEPARTMENT

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ARGENTINA

COMMENTS ON CURRENT EVENTS

July 24, 1940.

(No. 30)

RECEIVED G/2 W. D. AUG 5 1940

1. Argentine Aviation Projects.

1. Argentine Aviation Projects.

In both governmental and private circles there is considerable discussion and proposed projects for bettering Argentina's position in the air both in the armed forces and in civilian lines. Also, Argentina is inviting neighboring countries to send students of the air forces of the army or navy or both to take instruction in its air schools. As a result of this latter, within the past week three officers of the Uruguayan Army Air Force have enrolled in the Argentine army air courses and two Uruguayan navy flyers in the Naval School.

The Minister of the Interior told the press on July 23rd that it was likely the Chief Executive would send to Congress a proposal for the appropriation of 30 millions of pesos to be spent in training civilian pilots and building up a civilian air force together with the necessary planes, landing fields etc., and establishing commercial air lines in sections of the country not now served.

Then there is a committee of civilians under the aegis of the Aero Club Argentino which is starting a campaign to raise money by voluntary contributions and through Government subsidy, if possible, for the eventual training of a civilian air force of 5,000 pilots.

Some months ago the Argentine Army Air Force started in an experimental way the carrying of mail once a week (previously reported) to the Southern Territories. By Government decree this week this service has been made a permanent fixture until such time as a civilian service to Santa Rosa de Toay, Neuquén, Comunco Centro, Junin de los Andes, San Carlos de Bariloche and Esquel can be organized and function regularly. The airmail postage received by the post office department is to be turned over to army aviation for the purpose of bettering this service, which is to include the carrying of passengers as well as mail. These routes were surveyed months ago under the supervision of members of the American Military Mission with the Argentine Army Air Force.

With the exception of the decree starting the army pilots carrying mail to the southern territories all the above is as yet in a stage of indefiniteness.

Source: Press.

Original & 5 copies airmailed July 26th.

*M. A. Devine, Jr.*  
M. A. Devine, Jr.,  
Major, G. S.,  
Military Attaché.

Classification

Enclosures  
2048-182  
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Record Section File No.  
Copy No. 6-1  
For Record Section Only

RECEIVED C. S. W. M. AUG 23 1940  
**MILITARY INTELLIGENCE DIVISION**  
**WAR DEPARTMENT GENERAL STAFF**  
**MILITARY ATTACHE REPORT** Argentina

Subject COMMENTS ON CURRENT EVENTS No. 31 I.G. No.  
Brief Descriptive Title Country Reported On

Source and Degree of Reliability:

Committee Report and Personal Contacts.

Summarization of Report

When Required 1. Land Purchase Scandal at El Palomar Air Base.

RESTRICTED.

In Comments on Current Events Enter Item Headlines Here

✓ 1. Land Purchase Scandal at El Palomar Air Base.

A Senate investigating committee has brought to light a price manipulation scandal in the purchase by the Government of land to extend the size of the Army Air Base at El Palomar (near the Federal Capital) which netted a profit of more than a million pesos (about \$300,000 U.S. Currency) to those involved who included two Deputies on the Budget Committee of the Lower House, which committee placed the purchase item in the 1938 budget. The purchase of the land has been under consideration since 1934 when it was offered by the owners at one peso per square meter. Later, these owners sold the land to a real estate firm at sixty-five cents a square meter, and the firm turned it over to the Government the same day at one peso ten cents a square meter, making the more than a million peso profit which was said to have been divided among those who managed the deal.

The investigation which is now proceeding following the report of the special Senate committee to Congress has shaken the political and official spheres of Argentine life. The findings of the committee are said to involve the present Minister of War, General Marquez, the former Minister of War, General Pistarini, President Ortiz, the present chief executive, and former President Justo, the "strong man" of Argentina. Members of both houses of Congress and of both leading political parties are also involved, as well as politicians of both pro-Ally and pro-Nazi-Fascist tendencies. Payments were made in Government bonds of which 400,000 pesos has been traced directly to public officials, and about twice this amount involved is now being sought.

It is confidentially reported that on Friday last - the day after the report was made to the Senate - General Marquez, Minister of War, called for an "Army Court of Honor" and was acquitted of any wrongdoing or intentions by his fellow officers. Newspaper and thinking public opinion is enraged over the affair as early this year President Ortiz removed the Governor of the Province of Buenos Aires for similar manip-

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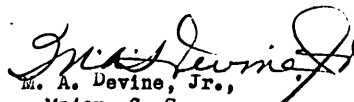
From M. A. Argentina ..... Report No. 6304 ..... Date August 13, 1940.  
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- 2 -

ulation, and the Congressional investigating committee has stated that not all those involved have been brought to light as yet.

COMMENT.

This is of importance because it adds additional difficulties to the already politically harassed and overworked Minister of War. It is the opinion that General Marquez did not benefit personally, but there is a chance that he may be used as a political football now that the Government is in such a chaotic and uncertain condition.

  
M. A. Devine, Jr.,  
Major, G. S.,  
Military Attaché.

Original & 5 copies airmailed Aug. 13th.

Classification

Enclosures  
2048-182  
142  
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For Record Section Only

RECEIVED G/2 W. M. SEP 14 1940

**MILITARY INTELLIGENCE DIVISION  
WAR DEPARTMENT GENERAL STAFF**

**MILITARY ATTACHE REPORT  
CONFIDENTIAL**

Subject Comments on Current Events No. 34

Country Reported On

I.G. No.

Source and Degree of Reliability:

Personal contacts; reliable.

Summarization of Report

When Required

1. Estimate of the Political Situation in Argentina this date.

In Comments on Current Events Enter Item Headings Here

1. Estimate of the Political Situation in Argentina this date.

As was stated in my report No. 32, August 23rd, the El Palomar land scandal could not be considered a purely army scandal but that General Marquez (War Minister) would be used as a political football.

Just this happened. The Socialist Party, which holds approximately the same influence in Argentina that it does in the United States, got information on the conditions of the sale; was appointed on the investigating committee, and perceiving that none of its party were involved pushed the investigation to the limit and with thoroughness to the complete embarrassment of the Conservative and Radical parties, which latter correspond in strength to the Democratic and Republican parties in the United States.

The entire details of the sale were found in the Argentine Army files, and, as was previously reported, involved the past two national administrations. General Marquez approved the purchase as a purely administrative act and is involved only to the extent that he may have been negligent in not reading all the previous correspondence, such as board reports, condemnation proceedings and recommendations. It has never been suggested that he benefited in a financial manner.

Events moved rapidly, the entire subject was thoroughly investigated and all the facts given most freely to the press by the investigators. Marquez was a personal and close friend of the President who was not willing that his friend and counsellor should be made the "scapegoat".

Two days ago General Marquez appeared before the Chamber of Deputies committee which gave him a clean bill of health in the affair and his resignation goes into effect at the end of his 15-day leave. His successor as Minister of War, General Tonazzi, is to take office Monday.

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From M. A. Argentina Report No. 6325 Date September 6, 1940.

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Comment on Current Events No. 34.

Turning back: there had been violent criticism of certain members of the Cabinet and demands had been made in Congress for their resignations. The Argentines being professional politicians saw the opportunity to clear the political atmosphere, exonerate the President (who is popular and has their sympathy because of his delicate health and the recent death of his wife) and at the same time change the Cabinet.

After party caucuses, where it was agreed that the resignation of the President would be unanimously rejected by the Congress, thus giving a vote of confidence, the resignation was submitted.

Congress rejected President Ortiz's resignation with only one vote being recorded against acceptance; the Cabinet submitted its collective resignation thus giving the President a free hand to pick a new set of advisers.

By a smart political trick, the President turned over the selection of the new Cabinet to the Acting President in order that the latter should have a free hand and responsibility in the selection of his advisers. This gave him, President Ortiz, the power to disclaim responsibility for events to follow. The Acting President, Dr. Castillo, utterly devoid of political experience (his former training being purely legal) appointed what may be termed a second-rate, politically unknown Cabinet. He has included only one national character, but no man possessing the support of any political party or any man who has popular support.

Thus the Cabinet is one which may be deposed if and when President Ortiz returns to office, and, furthermore, one which cannot be deposed by the present Acting President in as much as he has stated officially that the Cabinet is of his personal selection.

In the event that the present Acting President is continued in office - in case President Ortiz does not feel able to resume his office - he will be considerably embarrassed by the mediocre makeup of his Cabinet and will be unable to change except by individual eliminations. On the other hand, if President Ortiz returns to office he can turn out without further consideration the group of political hacks who now compose the Cabinet.

Specifically, the new Minister of War is unknown. His likes, his dislikes are a mystery to all. He was one of the junior B.G.'s of the army and now has been passed over the heads of his superiors. Previous to his appointment no one had ever heard his name mentioned as a probable candidate for this or any portfolio.

The best considered opinion is that this Cabinet is only a "stop gap", that it will be used to clear up the dirty financial and political mess that now exists in Argentina, as no dominant political party desires to assume the responsibility. That if President Ortiz returns to office he will discharge them all and that if Acting President Castillo continues in office he will be forced to make changes of individuals and will thus eventually eliminate the entire Cabinet.

Whether the present Government will be pro-Ally, pro-United States or pro-Nazi is not known at this time. Being a weak combination as was the former Cabinet it is presumed that it will be guided entirely by world events.

*M. A. Devine, Jr.*  
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Major, G. S.,  
Military Attache.

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From M.A. Argentina.

Report No. 6325.

September 6, 1940.

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# MILITARY INTELLIGENCE DIVISION WAR DEPARTMENT GENERAL STAFF

## MILITARY ATTACHE REPORT Argentina

RESTRICTED.

Country Reported On

Subject COMMENTS ON CURRENT EVENTS No. 33.

I. G. No.

Brief Descriptive Title

Source and Degree of Reliability:

Press and personal contacts.

Summarization of Report

When Required

1. Argentina's New Cabinet.

In Comments on Current Events Enter Item Headlines Here

1. Argentina's New Cabinet.

Argentina's new cabinet, with the exception of the Minister of War who will take office only when the 15-day leave of General Marquez expires next week, was sworn in on September 3rd at Government House.

These eight men who will conduct the executive departments of the Argentine Government were picked by Acting President Ramon Castillo following the action of the Legislature in refusing the resignation of President Ortiz which was tendered over El Palomar land purchase scandal. Two days before the announcement of the names of the new Executive Family a statement was issued by President Ortiz, still confined to his home by illness, that he had no hand in selecting these officials. This is taken to mean by press and public that the acting president had been given a free hand and could not say that any failure in the near future caused by Cabinet disagreements was due to his being hampered in choosing the Cabinet.

Only two of the new Cabinet have had previous experience in that body. They are Dr. Frederico Pinedo, Minister of Finance, who occupied the same position in the Cabinet of President Justo, and Dr. Julio A. Roca who is the new Minister of Foreign Affairs, and whp was Vice-president of Argentina with President Justo. He is probably the strongest man in the Cabinet.

General Juan N. Tonazzi, new Minister of War, is one of the youngest generals in the army. He has been Military Attache in Rome and in Montevideo, and when appointed Minister was in command of the 3rd Army Division.

Rear Admiral Mario Fincati when appointed Minister of Marine was in command of the Ocean Fleet of the Argentine Navy. He has served as Military Attache in Rio Janeiro and headed the Argentine Naval Mission in London supervising the construction of the training-cruiser La Argentina.

### Remarks.

Complete Who's Who on the new Cabinet will be forwarded under 5990.

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COMMENTS ON CURRENT EVENTS No. 33.

It was the general opinion when changes in the Cabinet were talked of that Dr. Castillo would replace two or three members only, and the clean sweep he made came as considerable surprise.

The day before the Cabinet was sworn in a statement was made by the Acting President, evidently to reassure the public, that no change in the policy of the Government was contemplated and that the democratic policies of President Ortiz would be carried on.

*M. A. Devine, Jr.*  
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Military Attache.

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**MILITARY INTELLIGENCE DIVISION**  
**WAR DEPARTMENT GENERAL STAFF**  
**MILITARY ATTACHE REPORT** Argentina

Subject Comments on Current Events No. 40 I.G. No. \_\_\_\_\_  
Brief Descriptive Title

Source and Degree of Reliability:  Personal Contacts; reliable.
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Summarization of Report When Required  1. Estimate of the Political Situation in Argentina This Date.  In Comments on Current Events Enter Item Headings Here
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1. Estimate of the Political Situation in Argentina This Date.

Although there have been numerous reports that a revolution or coup d'etat was slated for the end of November or early in December it is not now believed this will happen because:

Officers of the Army are highly paid, lead an easy life and realize they could not do as well in civil life;

The Minister of War - General Tonazzi - is believed to be honest;

The people would not permit rule by the Army;

General Bautista Molina, possible leader of a subversive movement, has lost caste since the dinner he gave to the German Ambassador and has no important following.

Ex-President Justo now 64 years of age wishes to be president again; he and President Ortiz are not on good terms and the same condition exists between Justo and Finance Minister Pinedo because Justo realizes that Pinedo has political ambitions. Pinedo was appointed to the Cabinet by Acting President Castillo and President Ortiz is determined that Pinedo shall "hang himself" and then blame him for all the economic troubles of the country.

Ortiz

President/has told intimates that he will not try to take over the Executive Power from Acting President Castillo before the Santa Fé elections as it is now too late to prevent fraud. He will, however, again assume the Presidency in February, and as he has promised the people honesty in elections he will put a Federal Interventor in Santa Fé.

Furthermore, if Acting President Castillo will not sign the decree releasing office then Ortiz himself will sign one saying he has again taken over the Presidential office.

Signed for the Military Attaché.

H.E. Walker, QM Clerk.

All copies airmailed Nov. 27th.

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